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ABSTRACT

This brief summarizes information collected during visits to Massachusetts in 1999 and 2000 to document changes and progress since 1997, updating a 1997 report on the state's benefits and services and the economic and political context shaping Massachusetts' agenda for serving low-income families. It profiles Massachusetts' economy and population, reviews the income and social services safety net and caseload statistics, and offers three main sections that examine specific programs and services, administrative structure, general service delivery, and policies affecting key programs and their clients. First, it describes Massachusetts' Transitional Aid to Families with Dependent Children (TAFDC) program, including its work-related component for TAFDC recipients, and the overall workforce development system. Next, it addresses Massachusetts' system for providing child care to TANF and low-income families. Finally, it describes the child welfare system. Massachusetts shows the implications of a strong "work first" approach to welfare reform. It was one of the first states to implement a consolidated workforce development and one-stop career center system. Massachusetts prioritizes work-related services to TAFDC recipients

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who leave assistance for employment. The child care system has received over $200 million in TANF funds, though there are still waiting lists for nonwelfare child care. (Contains 13 endnotes.) (SM)

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Recent Changes in Massachusetts Welfare and Work, Child Care, and Child Welfare Systems

Laura Kaye, Demetra Nightingale, Jodi Sandfort, and Lynne Fender

Between 1998 and 2000, Massachusetts' social policies have shifted, placing more emphasis on the needs of families leaving welfare and low-income working families in general, and encouraging more formal collaboration among programs serving families, workers, and children.

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Introduction

Massachusetts has a long tradition of innovation in the area of social policies and programs. It was in the forefront of welfare reform when, in 1995, it passed legislation calling for time-limited welfare assistance and stringent work requirements. This new approach to delivering aid represented a major shift in policy and involved operational changes in the way public assistance and services for low-income families were provided. The state was also one of the first to revamp its employment and training system, developing a system of one-stop career centers that evolved out of planning begun in the late 1980s and have been refined and fully implemented since then. Massachusetts received one of the first grants from the U.S. Department of Labor for One-Stop Demonstration programs in 1995 and launched a major state initiative to open centers beginning in 1996.

The federal enactment of Temporary Assistance for Needy Families (TANF) in 1996 and the Workforce Investment Act (WIA) in 1998 has not required the state to alter its policy directions significantly, although some adjustments have been made. Massachusetts continues to focus on implementing the major components of its TANF program, Transitional Aid to Families with Dependent Children (TAFDC), and its workforce development system, which is built around the one-stop centers. Recently, however, between 1998 and 2000, state social policies have shifted somewhat. The shifts include placing more emphasis on the needs of families leaving welfare and low-income working families in general; implementing agency reorganizations at the state level to consolidate and streamline responsibilities; and encouraging more formal collaboration among programs serving families, workers, and children.

This report begins with a short profile of Massachusetts' economy and population. A brief overview of the income and social services safety net is also presented, as well as caseload statistics. The remainder of the brief is divided into three main sections, each of which provides detail on specific programs and services, administrative structure, general service delivery, and important policies affecting each of the key programs and their clients. Massachusetts' TAFDC program is described first, including the state's work-related component for TAFDC recipients, and the overall workforce development system. Then the state's system for providing child care for both TANF and low-income families is addressed. The third program area described is the child welfare system, with particular attention paid to the interaction between child welfare and welfare reform. Finally, the report concludes with a summary of the key changes in Massachusetts' programs and delivery systems and points to future challenges for the state.

Information presented in this report comes primarily from more than 100 in-person interviews conducted with officials,

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administrators, and staff during site visits to Massachusetts. Key state-level officials responsible for TAFDC, child care, and child welfare were interviewed to obtain an overview of the system statewide and to learn about new policy directions and initiatives. At the regional and local level, managers and front-line workers were interviewed to better understand the types of services low-income families receive and how they get those services. Interviews were conducted locally in the Boston area at public and private welfare, social services, employment, job training, child welfare, and child care agencies, including organizations implementing programs with federal Welfare-to-Work (WtW) grants. In addition, the child care team conducted focus groups with parents, providers, and TANF case workers, and the child welfare team held focus groups with social workers and interviewed other local child welfare officials by telephone. Representatives of advocacy organizations working on issues of importance to low-income families were also interviewed.

Researchers visited Massachusetts three times during 1999 and early 2000. The child care and child welfare teams conducted separate site visits in August 1999, and the TANF and workforce development team visited in February 2000. Telephone interviews with local child welfare administrators in February 2000 supplemented the field work.[1]

Social and Political Context

Social and Economic Conditions

Massachusetts continues to experience relatively strong economic prosperity and slow population growth, based on a number of social and economic indicators (table 1). In 1999, Massachusetts had a strong economy and low unemployment (3.2 percent), with jobs in the service industry making up a significant part of the state's economy. Between 1995 and 1999, per capita income increased in the state by almost 16 percent compared to a 10.8 percent increase nationally. Over the past decade, Massachusetts has had relatively low population growth (2.6 percent from 1990-1999) as compared to 9.6 percent nationally during the same time period. Just 3.9 percent of Massachusetts' 6.2 million residents live in non-metropolitan areas. The composition of the state's population continues to be less racially diverse than in the nation as a whole; the percentage of Black and Hispanic residents in Massachusetts is about half what it is in the United States. However, over the last four years Massachusetts' Hispanic population has increased as a percentage of the state's population.

Massachusetts generally registers favorably on most common indicators of child well-being, reflecting its historic legal commitment to the protection of children. The state has a lower than average poverty rate, and the reduction in poverty, particularly among children, has been greater than for the nation as a whole. Between 1996 and 1998, the percent of Massachusetts' children and adults living in poverty decreased substantially, by 23 percent and 19 percent respectively. In addition, Massachusetts' teen birth rate was well below the U.S. rate (30.8 births per thousand teenage females), as was the percent of births in the state that occurred to unmarried teens.

Massachusetts' Social Safety Net

Massachusetts' relatively low poverty rates as compared to other states probably reflects both the strong economy and the state's social safety net (table 2). Although Massachusetts has adopted stringent work requirements under welfare reform, it also continues to provide fairly generous cash benefits to TAFDC eligible families as compared with the median state benefit in the United States ($421 for a family of three). Massachusetts follows a two-tiered benefit policy; the age of the youngest child in the eligibility unit determines the grant amount. For families of three whose youngest child is under age two, the maximum benefit level is $579. For families of three whose youngest child is two years of age or older, the maximum benefit level is $565. The lower benefit level affects recipients when

TABLE 1. Massachusetts State Characteristics, 1999

	Massachusetts	United States
Population Characteristics		
Population (1999) [a] (in thousands)	6,175	272,690
Percent under age 18 (1999) [b]	23.8%	25.7%
Percent Hispanic (1999) [c]	6.3%	11.5%
Percent Black (1999) [d]	6.6%	12.8%
Percent non-citizen Immigrant (1998) [e]	6.3%	6.3%
Percent nonmetropolitan (1996) [f]	3.9%	20.1%
Percent change in population (1990-1999) [g]	2.6%	9.6%
Percent births to unmarried women 15-44 (1998) [h]	26.1%	32.8%
Percent births to unmarried teens 15-19 (1997) [i]	6.5%	9.7%
Birth rates (births per 1,000) females age 15-44 (1998) [h]	13.2	14.6
Birth rates (births per 1,000) females age 15-19 (1998) [h]	30.8	51.1
State Economic Characteristics		
Per capita income (1999) [j]	$35,551	$28,542
Percent change per capita income (1995-1999) [j]	15.9%	10.8%
Unemployment rate (1999) [k]	3.2%	4.2%
Employment rate (1999) [l]	83.9%	81.5%
Percent jobs in manufacturing (1998) [m]	14.2%	14.8%
Percent jobs in service sector (1998) [m]	35.8%	29.9%
Percent jobs in public sector (1998) [m]	12.7%	15.8%
Family Profile		
Percent children living in two-parent families (1999) [n]	69.2%	63.6%
Percent children living in one-parent families (1999) [n]	23.5%	24.8%
Percent children in poverty (1998)* [o]	12.4%	17.5%
Percent change in child poverty rate (1996-1998)* [o]	-22.5%	-15.0%
Percent adults in poverty (1998)* [o]	7.5%	11.2%
Percent change in adult poverty rate (1996-1998)* [o]	-19.4%	-10.4%
Political		
Governor's affiliation (1999) [p]	Republican	
Party composition of Senate (1999) [q]	33D-7R	
Party composition of House (1999) [q]	131D-27R-1other-1V	

*1998 national and state, adult and child poverty estimates show statistically significant decreases from the 1996 estimates at the 0.10 confidence level, calculated by the *Assessing the New Federalism* project, The Urban Institute.

Table 1 endnotes begin on page 18.

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TABLE 2. The Safety Net in Massachusetts, in National Context

	Massachusetts	United States
Welfare Benefits - Maximum Monthly Benefit (Family of Three, No Income)		
1996 (AFDC) [a]	$565-$579	Median: $415
1998 (TANF) [a]	$565-$579	Median: $421
2000 (TANF) [a]	$565-$579	Median: $421
Ratio of Children Receiving Welfare to All Poor Children		
1996 (AFDC) [b]	71.0%	59.3%
1998 (TANF) [b]	63.6%	49.9%
Percent of All Children Without Health Insurance		
1997 [c]	6.2%	12.2%
1999 [c]	3.4%	12.5%
Income Cutoff for Children's Eligibility for Medicaid/Children's Health Insurance Program (Percent of Federal Poverty Level)		
1996 [d,e]	101.1%	123.8%
1998 [d,f]	200.0%	178.4%
2000 [d,g]	200.0%	205.1%
Income Cutoff for Children's Eligibility for Child Care Subsidy (Percent of State Median Income/Federal Poverty Level)		
1998 (January) [h]	47% / 174%	57% / 182%
1999 (June) [h]	44% / 167%	59% / 178%

AFDC = Aid to Families with Dependent Children
TANF = Temporary Assistance for Needy Families
Table 2 endnotes begin on page 19

they become subject to the two-year time limit and is intended to emphasize the value of work for able-bodied families.

Compared with many states, more Massachusetts children are covered by various safety net programs, although total needs are not always met. The state has several special initiatives for poor children, particularly regarding health and child care. Nearly all children in Massachusetts have health coverage; only 3.4 percent are uninsured. This is approximately one quarter of the percentage of uninsured children in the United States. In 1998, the ratio of children receiving TANF to all poor children was higher in Massachusetts (63.6 percent) than nationally (49.9 percent), but the percentage of poor children in Massachusetts covered by welfare declined slightly between 1996 and 1998.

Eligibility for child care assistance in Massachusetts is set at a lower income level than the United States average (44 percent of the state median income — the criterion against which federal law determines eligibility — compared with 59 percent for the nation as a whole), meaning fewer families qualify for subsidies.[2] Total federal and state spending on child care has increased by at least 12 percent in each of the last few years. The demand for child care continues to increase due to the existing eligibility cutoff and a welfare reform policy that has short time limits and encourages rapid movement into jobs. Despite its budget increases, Massachusetts' statewide waiting list for child care for nonwelfare,

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low-income working families ballooned to 16,000 children in early 2001. State respondents indicated, however, that this number may be inflated since families that are financially ineligible may go on the waiting list.

Caseload Dynamics

Since the TAFDC program began in 1995, Massachusetts has had about a 50 percent decline in its welfare caseload. More recently, the caseload declined by 41 percent between January 1997 (79,386 cases) and January 2000 (46,171 cases). This reduction is consistent with the national average of about 42 percent during a similar time period (1/97–12/99).[3] In Boston, there were just over 6,000 TAFDC cases in January 2000, about half the number on the rolls in January, 1997.[4]

The state is very interested in tracking what happens to families that leave welfare, sponsoring two surveys so far and developing new program initiatives in response to the changes resulting from welfare reform. While there had been some concern that the child welfare caseload might increase, this has not occurred. The expansion of child care funding for persons leaving welfare and for low-income nonwelfare parents in part reflects a recognition that welfare reform would lead to higher demand for child care. In 1999, the changing characteristics of the cases remaining on welfare motivated the state to increase emphasis on families with special and multiple needs, including victims of domestic violence, persons with multiple barriers to employment, and long-term recipients.

Political Framework

Throughout much of the 1990s, the leadership of Massachusetts has been shared by the two main political parties. Governor Paul Cellucci, who served out former governor William Weld's term starting in 1997 and then was elected Governor in 1998, is a Republican. Democrats have historically dominated the House and Senate; in 2000 only seven of 40 Senate members were Republican and only 27 of 160 House members were Republican. While such political division can make it difficult for a state to have a single, unified agenda and set of priorities, it also offers a balanced blend of initiatives. For example, each party has taken a unique approach to capitalizing on the state's strong economy. The Governor has consistently attempted to reduce the state's personal income tax in the last few legislative sessions. Unable to persuade the legislature to vote for an immediate tax cut, the Governor backed a ballot referendum to reduce the state tax rate to 5 percent over three years. The referendum passed in November of 2000. Meanwhile, the House and Senate presidents prefer to use surplus funds for a variety of measures, including reducing the state's $15 billion construction project debt and investing in the education and health care systems. Although not all the surplus is used for these purposes, there are several new state initiatives that include spending for early childhood education, child health insurance, skills training for growing industries, and child care for working families.

Welfare and Work

Massachusetts' current welfare program predates national welfare reform. In 1995, the state sought and obtained waivers from federal welfare regulations in order to implement its TAFDC program. In certain respects, Massachusetts' welfare policy can be viewed as stricter than the federal requirements and those of many states. For example, the state departs from the federal 60-month time limit, restricting cash assistance to 24 months in a 60-month period. In addition, able-bodied recipients with school-age children are subject to a work requirement almost from day one. At the same time, however, the state has generous exemptions policies from its work component, which resulted in 92 percent of TAFDC recipients being exempted from work requirements as of January 2000. Also as of January 2000, 70 percent of the caseload was exempt from the 24-month time limit. The state would argue that its policy of restricting cash assistance to 24 months in a 60-month period is more generous than the federal 60-month life time limit. Nevertheless, the clear policy message of TAFDC is that assistance is temporary and recipients must prepare to

leave welfare and enter the workforce. As more and more TAFDC recipients run up against the state's time limit, the focus of the program has shifted somewhat to emphasize post-employment services and other supports (such as child care and short-term skills development) designed to ease the transition from welfare to self-sufficiency, and to services for low-income families more generally.

TAFDC Policy and Program Emphasis

The Massachusetts TAFDC program was first implemented in November 1995, although the time limit component was not implemented until December 1996. Because Massachusetts has a state-administered welfare system with little local discretion regarding policy or benefits, the features of TAFDC do not vary in any significant way from locality to locality. The overall program design and its major features have remained virtually unchanged since the program was first implemented, although some related initiatives have been added as the program has progressed.

The governor and the legislature have each influenced the course of welfare reform policy in Massachusetts. The Cellucci administration has resolutely maintained that a job, any job, is better than continued dependence on government assistance. The governor's legislative proposals have reflected this "work first" approach, including a recommendation to increase from 20 to 30 the number of hours per week that work-required TAFDC recipients must participate. In addition, the governor has proposed to expand the work requirement to TAFDC parents with children between the ages of two and six (current law only requires able-bodied parents with children age six and older to work). Meanwhile, the Democrat-controlled legislature has moved in a different direction, instituting funding and other measures to increase education and training. Both the governor and the legislature have endorsed expanded efforts to provide special services to victims of domestic violence, supporting the state's adoption in 1997 of the federal waiver to exempt victims of domestic violence from the TANF time limit and work requirements.

Work Requirement and Sanctions. The TAFDC program has a strong "work first" approach for recipients subject to work requirement. These recipients must find work within 60 days of becoming eligible for TAFDC cash assistance, through self-initiated job search or job search programs offered through one-stop career centers. These job search programs include 20 hours or more per week of activities such as orientation, assessment, structured classroom activities, job readiness, staff-run job search, case management, and follow-up services. If work-mandatory recipients are unable to find employment within the first 60 days of becoming eligible for TAFDC, they must participate in community service for 20 hours per week. Any time spent on education and training activities must be above and beyond recipients' 20-hour per week work requirement.

The work requirement is enforced by prescriptive sanction policies. Mandatory recipients must participate in 75 percent of their required hours or they will face sanctions. The initial sanction is for the grantee's portion of the grant. A second instance of noncompliance results in case closure. The state's sanction policy has been consistent since 1995.

While this emphasis on work and work requirements appears demanding, the strict work requirement is coupled with a relatively broad exemption policy. The largest exemption category is for recipients whose youngest child is not yet school age (generally a child who is not yet six years old). After taking into account all of the work requirement exemptions, in January 2000 the TAFDC work requirement applied to only about 8 percent of recipients.

Time Limits and Exemptions/Extensions. Massachusetts also has one of the shortest TANF time limits nationally. TAFDC recipients may only receive a total of 24 months of cash assistance within a 60-month period. However, as with the work requirements, most recipients are not subject to the 24-month limit as it is applied mainly to those considered most able to work, primarily recipients without young children. About 30 percent of cases are subject to the 24-month time limit, including some (i.e., those whose youngest child is

between 2 and 6 years of age) who are exempt from the work requirement described above.

Exemptions from the time limit include those who have a youngest child under the age of two and recipients who are disabled or caring for a disabled family member. As of January 2000, 70 percent of the caseload was exempt. The work exemptions and time-limit exemptions are by and large the same, although the youngest child exemption is broader for the work requirement (school age) than for the time limit (two years of age).

The 24-month time limit has been the subject of much attention within the state. The TAFDC time limit policy was first implemented in December 1996, meaning the first group of recipients subject to it reached their time limit in December 1998. Local Department of Transitional Assistance (DTA, the former Department of Public Welfare) managers report that tracking work participation and processing time limit extension/exemption requests consumes a large amount of their and their staffs' time. While most time limit extension/exemption decisions are made at the state level, extension requests are initiated by caseworkers and local DTA managers must review case requests first.

The state's time limit has also been contested by advocates. At the time TAFDC recipients first started to reach the time limit, 31 poverty advocates and demonstrators protesting the 24-month time limit were arrested during a sit-in at the State House in Boston. There have also been at least two successful legal challenges to the way in which DTA has implemented its welfare policies. In one case, the court ruled that the state welfare commissioner denied benefit extensions to as many as 900 families by imposing stricter income eligibility requirements on working families that reached the two-year time limit than on families who did not work. In a separate case in December 1998, a Superior Court judge found that as many as 6,000 families may have been illegally denied disability exemptions from work requirements and time limits.

Between December 1998 and February 2000, 11,115 families reached their time limit in Massachusetts. A survey conducted for the state in early 2000 found that cases closed due to the time limit were similar to other TAFDC cases closed during the same period; about 90 percent of both groups worked at some point in the following year for wages averaging about $8.50 an hour, and over 80 percent were covered by MassHealth (Medicaid and the State Children's Health Insurance Program).[5] Those reaching the time limit had somewhat lower incomes, had been on welfare longer, and fewer had a spouse or partner. Extensions to the 24-month time limit can be granted to individuals who are unable to find a regular job but are cooperating and participating satisfactorily in a work experience program, or are working at least 35 hours per week but are still financially eligible for cash assistance.[6] About 10 percent of the families reaching their 24-month time limit have received extensions.

Eligibility and Local TAFDC Program Focus. At the local level (Boston), TAFDC applicants access the program through DTA offices. The application process is highly procedural, and designed to expedite the eligibility process and to convey basic program information. There are very few up-front eligibility requirements pending application approval (other than child support cooperation) and no diversion program. TAFDC caseworkers review the applicant's educational history, skills, work history, and job preferences before processing the application. The caseworker may also ask about barriers such as domestic violence, mental health, or substance abuse. No formal assessment is done at this time, however.

Recipients subject to the work requirement in Boston are referred to one of three one-stop Career Centers, which have contracts to provide employment assessment, job search assistance and employment services to TANF clients and referrals to other employment and training programs. Nonmandatory recipients can also participate in Career Center services or other work or education programs in the community, and some caseworkers emphasize referring these volunteers for such services.

State-level officials, local administrators and staff are concerned about how TAFDC recipients for whom work is not mandatory (those with a youngest child under six years of age) are preparing for self-sufficiency, if at all. Since many of these persons are subject

to the two-year time limit, ideally they should be preparing for work. Many TAFDC caseworkers report that they strongly encourage these recipients to volunteer for education and training activities, particularly those without a GED or equivalent. When nonmandatory recipients volunteer for education and training, they become subject to the same sanction provisions as recipients subject to the work requirement, but there is some indication that caseworkers are less likely to initiate sanctions for a volunteer than for someone who is required to work.

Concern about those leaving welfare and the need to address the employment problems of those not subject to work requirements has led to a few new initiatives. Post-employment job retention and transitional child care and transportation services became a major priority for state funding in 1999. Short-term training, especially for basic computer skills, is available from community colleges and other providers through a statewide "Jobs Plus" voucher program and other training contractors. Special workers funded by DTA make home visits to at-risk families that reach the time limit or otherwise leave welfare in order to identify any special need for ongoing or emergency services.

Welfare Links with Child Care, Child Welfare & MassHealth. Welfare reform in Massachusetts has been accompanied by changes in other systems that also affect children. All of these systems are located with DTA in the Executive Office of Health and Human Services (EOHHS) (table 3) These include child care in the Office of Child Care Services (OCCS); child welfare in the Department of Social Services (DSS); and children's health insurance programs in the Division of Medical Assistance. As with TAFDC, these programs are also state-administered, with most policy and budget decisions made at the state level.

Collaboration between the child welfare system and TAFDC was part of the original welfare reform plan in the state. For example, DTA compiles monthly lists of dual-system clients whose time limits are approaching and provides these lists to DSS. The F.O.R. Families program, a collaboration of DTA and the Department of Public Health, provides "Follow-up, Outreach, and Referral" services to TAFDC families who are no longer on TANF or are transitioning off the program. These services include an 800-number assis-

TABLE 3. Administration of Income Support and Social Services in Massachusetts

Federal or Generic Program Name	What program is called in Massachusetts	Which agency administers in Massachusetts
TANF	Transitional Aid to Families with Dependent Children (TAFDC)	Department of Transitional Assistance (DTA) within the Executive Office of Health and Human Services (EOHHS)
Workforce Investment Act	Workforce Investment Act	Department of Labor and Workforce Development (DLWD)
No Equivalent	Emergency Aid to the Elderly, Disabled and Children (General Relief)	DTA within EOHHS
Food Stamps	Food Stamps	DTA within EOHHS
Child Care Development Block Grant	Subsidized child care programs	The Office of Child Care Services (OCCS) within EOHHS
Child Welfare	Child Welfare	Department of Social Services within EOHHS
Medicaid	MassHealth (Medicaid & CHIP)	Department of Medical Assistance within EOHHS

tance line, home visits, and links to follow-up services. Special workers conduct home visits and work closely with TANF and Public Health staff in providing services to these families. DTA and DSS also developed the Teen Living Program to provide alternate living arrangements for teens who cannot live at home.

Changes have also occurred in the child care system. On the eve of federal welfare reform, Massachusetts, like many other *Assessing the New Federalism* study states, had a somewhat fragmented child care delivery system. Before 1996, three entities within EOHHS were responsible for child care. However, since 1998, administrative responsibilities have been centralized in OCCS. Spending on child care continues to expand and spending through OCCS increased by 16.5 percent for FY 2000-01.

EOHHS also oversees the state's MassHealth Insurance programs through the Division of Medical Assistance. Access to health insurance has also become a major priority for EOHHS. Through MassHealth outreach and other efforts, enrollments have increased by 30 percent in the last two years. In addition, the state has extended health coverage to an additional 90,000 children. The governor has also made health insurance coverage a general priority, proposing to enact a Patients' Bill of Rights and to use $50 million in tobacco settlement funds to help offset recent federal budget reductions that have affected hospitals and health care providers.

Organization of Welfare and Work Programs

State Welfare and Work Programs. The Executive Office of Health and Human Services has responsibility for most income support programs. Within EOHHS, DTA administers the following benefit programs: TAFDC; Emergency Aid to the Elderly, Disabled and Children; the Food Stamp Program; the State Supplemental Food Stamp Program, Emergency Assistance; and Supplemental Security Income (SSI).

Also located within DTA is the Employment Service Program unit, which is responsible for TAFDC work programs. The Employment Service Program's $40 million annual budget supports various work-related services and programs, including job search, job placement, the community service program, the supported work program, post-employment services, and transitional services such as the Access to Jobs program (transportation) and the F.O.R. Families program (case management for terminated recipients). Education and training programs account for approximately $12 million of the program's overall budget. In 2000, the TAFDC work-related programs and services at the state level within DTA were more consolidated organizationally than they were at the time of the baseline visit in 1996, with the Employment Service Program unit having all administrative authority.

Massachusetts was one of the first states to move to a consolidated workforce development policy and one-stop delivery system. The Massachusetts workforce development system continues to evolve as it refines its policies and directions. The system is also changing as a result of the new federal policies, incorporating programs and services funded by WtW grants, and most recently, beginning the transition from the Job Training and Partnership Act (JTPA) to the Workforce Investment Act (WIA).

The Department of Labor and Workforce Development (DLWD) is the organizational locus of Massachusetts' workforce development system. DLWD is the agency responsible for implementing WIA and is the recipient of the federal formula-funded WtW grant. Its importance as an administrative agency has grown since 1996, due to an increase in federal funding (from WtW funds) and the restructuring of the agency in 1998-99. The reorganization consolidated workforce development policy and programs within DLWD. DLWD now oversees the Division of Employment and Training, including the Unemployment Insurance Program and the new Workforce Training Fund. Previously, the Job Service/Wagner-Peyser and Unemployment Insurance Programs were in a separate department. In addition, the state Workforce Investment Board is now in DLWD. It replaced the MassJobs Council, which previously had primary responsibility for workforce development policymaking at the state level. Finally, DLWD oversees the One-Stop Career

Centers and the Corporation for Business, Work and Learning, which is the fiscal agency for the WtW grant and provides technical assistance to employers.

Local Welfare and Work Structure. TAFDC policy and fiscal decisions are made at the state level. There is no county or local entity responsible for TAFDC policymaking; regional DTA managers perform administrative activities, but they are located at the state office. All bills are paid through the state DTA office; local offices do not have their own budgets. Local DTA respondents indicated that there were adequate funds for the TAFDC program.

In 2000, Massachusetts had 37 local DTA offices statewide that administered services to TAFDC recipients. In Boston, one local DTA office has closed since 1996, leaving three major DTA offices in 2000. Each of these offices processes cases receiving TAFDC, food stamps, and/or Emergency Aid to the Elderly, Disabled and Children. With the exception of slightly fewer local offices both in Boston and statewide, this is the same organizational structure that existed in 1996.

Regional Employment Boards (REBs), and now Workforce Investment Boards, play a critical role in the delivery of employment and training services. At the local level, the One-Stop Career Center network is administered by REBs. The One-Stop and REB system began to evolve in 1988 as part of an effort to revamp Massachusetts' workforce development system based on concepts of managed competition, universal services, customer satisfaction, and high performance. Through the REBs, oversight and planning responsibilities of several related programs—including the JTPA private industry councils (PICs), rehabilitation, and all job services and labor market information—were consolidated. Each of the 16 JTPA area private industry councils became REBs, but with a broader mandate. In 2000, the state and REBs were in the process of further refinement to implement the federal Workforce Investment Act's provisions for local workforce investment boards.

Each REB, through agreement with DLWD, is responsible for establishing one-stop career centers in its area, including selecting and chartering Center operators. The Wagner-Peyser funds (federally legislated job service and labor exchange, typically run through a separate Job Service in other states) provide the core financing for Career Centers. The Career Centers receive TANF funding to provide TAFDC recipients with employment assistance, primarily job search services.

One-stop centers have been phased into operation, and by 2000 there were 37 Centers statewide. The service delivery areas (SDA) throughout the state are the grant recipients of JTPA and now WIA funds, and the PIC/REBs have responsibility for career center policy development. The SDAs play a central role in administering job training programs, including issuing and administering job training service provider contracts and, in most parts of the state, administering career centers.

In Boston, unlike most other parts of the state, there is a separate SDA administrative entity, which is the City of Boston Jobs and Community Service Agency (JCSA), and a separately incorporated PIC, which is the REB and serves as the fiscal agent for the SDA. The PIC/REB has overall responsibility for the career center system. This dual structure dates back several decades and the PIC and JCSA work collaboratively on planning and policy development. In 2000, Boston had three Career Centers, each of which was operated by different entities, under charter from the PIC/REB. Career Link is a consortium of community-based service organizations. The Workplace is a partnership of nonprofit service organizations and the City of Boston's Jobs and Community Service Agency. JobNet is operated by the state Division of Employment and Training. The organizational structure of Boston's employment and training system has not changed significantly since 1996, although some administrative changes are being considered to meet WIA implementation requirements.

TAFDC and Workforce Development Service Delivery and Linkages

The welfare system in Massachusetts is characterized by a high degree of state control with respect to TANF policy decisions, services, and implementation. The workforce

development system, on the other hand, is locally directed, although there are several key concepts that define the system statewide (e.g., managed competition, universal services, integrated service delivery, and customer satisfaction).

In Boston, the three local DTA offices are the initial access point for TAFDC services. At these offices, TAFDC recipients can also apply for food stamps and MassHealth. Each TAFDC recipient interacts primarily with one caseworker who provides intake and ongoing case management services, refers the recipient to employment and training programs, and monitors services.

Many of these responsibilities are new for caseworkers. Two years ago, the Boston DTA offices consolidated the positions of the intake and ongoing eligibility caseworkers into a single consolidated worker position. Some of the referral and monitoring responsibilities taken on by the new consolidated workers were previously handled by Employment Service Program workers. The role of Employment Service Program workers has changed significantly as a result of the state's increased emphasis on work and corresponding diminished emphasis on training. A few Employment Service Program workers are still located in each DTA office in Boston, but their role is more supportive in nature, mainly authorizing transitional services and other post-employment services, assisting other staff with the new BEACON data system, and verifying eligibility of clients for WtW grant programs. An additional staffing change occurred through a state-level initiative to hire and station domestic violence counselors in local DTA offices, as part of Massachusetts' response to the Family Violence Option in the federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA).

The primary work-related activity in which TAFDC recipients participate is job search. The three one-stop career centers provide most job search activities for TAFDC clients in Boston. The state DTA contracts with the Division of Employment and Training within DLWD for TAFDC job search services, and that Division in turn contracts with the One-Stop Career Centers for most programs. These contracts are performance based, and the Career Centers earn their payment in three stages based on the number of people placed in and retaining jobs.[7] In addition to job search, the Career Centers provide TAFDC recipients with assessment, education, and post-employment services.

The one-stop career centers are also an access point for the federal Welfare-to-Work program. The career centers conduct assessment, job search, and referral to various employer partner programs funded by the REB through the formula WtW grant. Welfare-related funds (mainly from DTA and from WtW grants) make up between one-third and one-half of the career center budgets in Boston. Welfare funds are increasing each year, while nonwelfare (mainly Wagner-Peyser Act) funds are decreasing. Outside the career centers, several other WtW competitive grant programs are also operating, all of which independently recruit TAFDC clients for their programs. Because of the state's "work first" approach and the declining welfare caseload, there is stiff competition for clients among the Career Centers and the various outside WtW programs serving TAFDC recipients.

TAFDC recipients can access work-related services in Boston in other ways as well. The Jobs Plus program funded through the state Division of Employment and Training provides vouchers for community college services. A supported work program is run by a private contractor, Corporation for Public Management.

A TAFDC recipient generally learns of available work-related activities through his or her DTA consolidated worker. In addition, one-stop career center staff and other employment and training providers actively recruit clients in the lobbies of the local DTA offices and in area communities. Pressure continues from within DTA to have all TAFDC services provided on site at the local DTA offices. This has been an ongoing point of contention in Boston specifically, partly because both the career centers and DTA are philosophically committed to integrated services at their own locations. By 2000, Boston Career Centers had staff located at the DTA offices, permanently or on a part-time basis.

Program Innovation and Challenges

By 2000, Massachusetts' TAFDC program was entering a new phase. The program's emphasis on work, combined with the fact that recipients had begun to reach the state's two-year time limit, led to programmatic shifts and a reallocation of resources. In 2000, 50 percent of TAFDC education and training contracts with SDAs were directed to post-employment services designed to eliminate barriers to employment, increase use of transitional benefits, promote long-term workforce retention, expedite reemployment, and enhance career advancement. DTA was also reaching out to One-Stop career centers, vendors, and other agencies to help provide retention services for those transitioning to work and case management services for recipients leaving cash assistance without work.

State-level officials and local DTA staff are concerned that the TAFDC program does not adequately prepare its recipients for the end of cash assistance, particularly recipients whose youngest child is between two years old and school age. These recipients are not required to work or participate in education and training activities, but they are still subject to the two-year time limit. In 1998 and 1999, the administration unsuccessfully lobbied for legislative proposals to require at least some participation by this group of recipients. Meanwhile, more program emphasis is being targeted to encourage these individuals to participate in employment-related activities voluntarily.

Through the F.O.R. Families program, DTA offers services to recipients who reach the state's two-year time limit without finding employment, or who otherwise leave the TAFDC program (e.g., through sanctions). The primary goal of the program is to help families make the transition from welfare to self-sufficiency. Through home visits and other outreach efforts, nurses and social workers help former recipients connect with community-based resources and they facilitate initial or ongoing eligibility for such programs as SSI and Food Stamps. The F.O.R. Families program was built on an existing Department of Public Health network. DTA initiated a statewide collaborative effort with the Department of Public Health as the first TAFDC recipients started to approach their two-year time limit.

Massachusetts' workforce development system was also undergoing considerable change in early 2000. While the REB and Career Center systems were similar to what existed in 1996, Massachusetts was in the process of transitioning fully from JTPA to WIA, a process that could take the next couple of years. REBs were being reconstituted into local Workforce Investment Boards. And, intense planning was underway regarding various WIA provisions, including defining services, population targeting and implementing vouchered training rather than using the traditional contracting methods.

Federal and state welfare reform are playing a key role in how Massachusetts is rethinking its workforce development system. Increasingly, TAFDC and WtW money provide the funding base of One-Stop Career Centers. The state will need to reconcile the mandates and policies of each system, meet the state's welfare reform objectives, and also continue to develop an integrated workforce system for all workers and employers. In Boston, the WtW grant-funded programs operated by the REB and Career Centers, as well as by other organizations in Boston (e.g., Morgan Memorial Goodwill Industries and the Urban League of Massachusetts), are developing a growing network of work-based programs. Most of these programs are in partnership with particular employers or industries, and are for TAFDC recipients and former recipients. The challenge over the next few years will be to take full advantage of the proliferation of programs and services without unduly adding to the complexity of the expanding system.

Child Care

As welfare programs have shifted dramatically toward requiring recipients to work or engage in activities leading to work, child care is now a cornerstone of state efforts to support these activities. People leaving TANF because they have found employment, often referred to as transitional (for the period of transition off of welfare), also often need child care to make their transition a success. Though PRWORA eliminated the requirement that

states provide child care assistance to these families—by eliminating any entitlement to child care for them—most states continue to give these families a high priority for child care subsidies. This study examined the ways in which TANF and post-TANF families gain access to child care subsidies. It did the same for nonwelfare working families, since they also need child care but often cannot afford it, and many of the states in this study find themselves in the situation of having to make choices between providing subsidies to TANF clients or to nonwelfare working families.

Massachusetts has a long history of state funding and commitment to child care, with priorities periodically shifting according to political and economic changes. In the late 1990s, publicly funded child care expanded to serve more low-income working families and various systems have been consolidated administratively in an attempt to improve service delivery and access.

Massachusetts has historically devoted more funds toward child care than many other states. However, even with this investment, Massachusetts continues to have waiting lists for low-income child care subsidies. Massachusetts also has one of the more complex systems, with different access, application and payment procedures depending on the payment method used (i.e., vouchers versus contracts), and the process varies somewhat for TAFDC clients compared with other low-income working families. The state has, however, tried to streamline its system by centralizing some administration of subsidies at the state level and by creating a centralized waiting list.

Child Care Eligibility and Assistance

At the time of the site visits in 1999, families were eligible for subsidies as long as their income was below 44 percent of the 1999 state median income, or 167 percent of the 1999 federal poverty level. In June 1999, to be eligible for assistance a family of three needed to earn less than $23,172 at initial application.[8] Eligibility levels have increased since then. As of May 2000, the initial eligibility level is 50 percent of the state median income or 193 percent of the 2000 federal poverty level.[9] Families remain eligible until their income reaches 85 percent of the state median income or 328 percent of the federal poverty level.

Families on TAFDC and those families who have left welfare are guaranteed access to child care subsidies. Families on TAFDC can receive child care subsidies if the parents are working or looking for work. In addition, unlike a number of other states, Massachusetts will provide subsidized child care assistance to TAFDC families who are in training. There are also many other eligibile groups such as nonwelfare teen mothers, families in the child welfare system, and children cared for by grandparents. Like many other states, Massachusetts has retained the concept of transitional child care, meaning families leaving TAFDC are eligible for one year of transitional child care benefits. After that year, they are given another voucher and are able to avoid the waiting list faced by other low-income families. Since welfare reform, the number of families receiving subsidies in Massachusetts has increased.

Low-income families who have not received cash assistance are put onto a statewide waiting list for assistance. In recent years, the state has implemented a system to keep a centralized, unduplicated count of families that are eligible for child care assistance but unable to be served. Based on the investigation in Boston, it seems that systems have been set up to track families regularly and verify their eligibility. In 2000, there were 16,000 children on the child care waiting list, although this number may include financially ineligible families who declare themselves eligible.

Administrative Structure and Funding

Massachusetts' subsidized child care programs are state administered through the Office of Child Care Services (OCCS) within EOHHS. Although the state is split into administrative regions, OCCS makes all major policy and programmatic decisions. Prior to national welfare reform in 1996, administration was less centralized, although control still rested at the state level. Three state entities were then involved in funding, coordination, and adminis-

tration. This was also true during the first site visit in 1996, when DTA, the Department of Social Services, and the Office for Children all had different administrative responsibilities for aspects of child care, which are now centralized in the Office of Child Care Services.

In Massachusetts, subsidized child care is delivered through two separate payment systems. First, OCCS contracts with child care centers and family day care home networks to deliver subsidized care to a set number of children. This "contract" approach guarantees that providers fund a set number of child care slots during the established time period. Providers play major roles in recruiting families, processing paperwork for subsidies, and monitoring eligibility. Second, OCCS contracts with local child care resource and referral (CCR&R) agencies to administer a child care "voucher" system. By relying upon the statewide network of CCR&R agencies, this system provides vouchers directly to parents who may use them to secure care from any legal provider in the market. The CCR&R agencies are responsible for client recruitment, intake, and eligibility reauthorization for these vouchers.

While all types of families can use both administrative systems, nonwelfare families use both vouchers and contracted slots and families participating in the TAFDC program use mostly vouchers. It is possible for a particular child care provider to receive subsidized child care funding through an OCCS contract and also through vouchers directly from families.

The Department of Education administers a state-sponsored preschool program, called Community Partnerships, that provides early education to three and four year olds. In addition to local schools, Head Start agencies and child care programs may also receive contracts to operate this program. In fiscal year 1999, $86 million was spent on this program.

Child Care Fees and Reimbursement Rates

TAFDC families do not pay any fees for the child care they receive. Other families pay fees determined by their income, based on a sliding scale.[10] This amount ranges from 2.9 to 17 percent of their income. In November 1999, the state updated the fee scale so that increases in copayments become more gradual as income increases. Parent fees have also been reduced for families with incomes under 50 percent of the state median income. They are now updated annually to reflect current state median incomes and federal poverty levels.

Rates vary by type of provider (centers, family child care, and informal providers), geographic area (regions), and the age of a child (different categories for center and family child care providers). At the time of the site visit in 1999, some providers also negotiated different rates with OCCS when establishing contract agreements. OCCS no longer negotiates provider rates, however, so reimbursement rate maximums apply to both contracts and vouchers. In 1999, state administrators estimated that reimbursement rates were set at the 55th percentile of the market rate.[11]

Child care providers are paid directly from the state for caring for children who receive subsidies, either by the OCCS (if they have a contract) or by the CCR&R (if the parent receives a voucher). In the summer of 2000, Massachusetts instituted a new computer system to manage child care subsidies, which automates the tracking of child care use and the payment of providers.

Program Innovations and Challenges

Unlike most other states, Massachusetts has fairly liberal laws regarding work exemptions for welfare families. Although families with children between the ages of two and six are subject to a 24-month time limit, parents are not mandated to work or to participate in work readiness activities until their youngest child reaches school age (about six years of age). Until that time, Massachusetts allows some parents to pursue education and training programs while receiving cash assistance. Child care subsidies are also provided in these cases.

According to the investigation in Boston, many barriers exist to accessing and maintaining child care assistance, even for families on welfare, despite the state-level policy of

seamlessness. Although a family applying for cash assistance at the local DTA office is provided a "child care authorization," the length of time covered by this authorization is at the discretion of the DTA caseworker. Families must take the authorization to the local Child Care Resource and Referral Agency, which issues a paper voucher. When the authorization expires, the family must go back to the DTA office and renew it, then take it to the CCR&R and get a new voucher. This must all happen within a precise window of time if the family is to continue to have child care with the same provider without payment interruption. When a family leaves public assistance, the family is eligible for one year of transitional benefits. During this period the family has to get two six-month vouchers to continue to receive subsidies. At the end of this transitional year, families can continue to receive subsidies, and avoid the waiting list for low-income subsidies, as long as they recertify their eligibility. Nonwelfare families may access subsidies through the local CCR&R or through contracted providers.

Child Welfare

Child welfare agencies seek to protect children from abuse and neglect. They may intervene in families in which such behavior is suspected; may offer family preservation and support services to families where abuse or neglect is suspected or substantiated; require that families complete service programs; and may remove children from their home and place them in state-supervised care if children face imminent or ongoing risk of abuse or neglect in the home. Nationally, many policymakers, researchers, and advocates expressed concern that families that did not fare well under the new welfare requirements might be referred to child welfare agencies for child abuse or neglect. Thus far, however, welfare reform does not appear to have had a significant impact on child welfare caseloads in Massachusetts. It has, nevertheless, significantly increased the level of collaboration between the TAFDC and child welfare agencies.

Child welfare services are state-administered by the Department of Social Services (DSS) within EOHHS. DSS services are delivered through six regional offices and 30 local offices. All budget, policy, and personnel decisions are made at the state level.

Welfare Reform Concerns for Child Welfare

After passage of national welfare reform, state child welfare officials in Massachusetts set about to "separate fact from rumor" regarding the potential impact of welfare reform on families coming into child welfare. Directors of the DSS local offices were told to meet with their DTA/TAFDC counterparts to develop response plans. They began meeting quarterly with DTA managers and generating caseload data for those meetings. DSS officials were able to see that TAFDC caseloads were dropping. Moreover, DSS officials could see from the data the surprisingly small number of TAFDC cases subject to the work or time limit requirements of the TAFDC program. The meetings between DSS and DTA officials also led to cross-training with DSS and DTA workers on the requirements of welfare reform. DTA and DSS staff provided this training in collaboration with Salem State College as part of a federal Welfare Training Grant. The training covered the general requirements of TAFDC, when different requirements would be implemented, and which waivers and exemptions would be allowed.

Beginning in December 1998, DSS started receiving a monthly list of clients with six months or less of time left on welfare. The lists are organized by office, and by each worker within an office, to ease DSS's transmission to its own local offices. The lists were designed to help local workers quickly identify their own child welfare cases (although there is no formal policy or protocol regarding what actions the workers are to take with these cases), and make sure the family is aware of the impending loss of cash assistance and availability of services. Of the approximately 14,000 cases on TAFDC in July 1999, there were 51 dual-system families involving 131 DSS children due to be terminated from TAFDC in six months (December of 1999). In addition to lists of dual-system families, DTA also generated lists of foster parents on TAFDC who were within six months of los-

ing cash assistance (due to the age of their biological children). DSS sent workers to these families' homes to inquire how they planned to manage financially when their TAFDC case closed.

Child Welfare Caseloads

Despite widespread concerns, thus far welfare reform has not had a noticeable impact on children's service programs. In fact, the number of children who were the subject of investigations of child abuse and neglect fell 3 percent between 1996 and 1998, from 54,403 children to 52,899. In 1998, Massachusetts substantiated 52 percent of investigations of abuse and neglect and 28 percent of reports, lower than the 30 percent national median rate. There was an increase of 1 percent in substantiated reports from 1996 to 1998. In 1998, 11,498 children in Massachusetts were in placement (includes foster and residential care), a 14 percent decrease since 1996 when 13,378 children were in placement.

Financing

The 1996 federal welfare reform legislation also altered other federal funding streams that many states have used to pay for child welfare services. The former AFDC Emergency Assistance program was eliminated, with the program's funds rolled into the TANF block grant; federal funds for the Social Services Block Grant were reduced by 15 percent; and eligibility for Supplemental Security Income was defined more narrowly.[12]

Between state Fiscal Year (FY) 1996 and 1998, Massachusetts' total child welfare expenditures rose 4 percent to $508,306,000.[13] During this period federal funds increased by 14 percent while state funds decreased by 3 percent. Federal funds increased due to significant increases in the Social Services Block Grant, Medicaid, and Title IV-B funds. In state FY 1997, the state transferred $22.2 million in TANF funds to the Social Services Block Grant and another $34.2 million in FY 1998. In state FY 1999, welfare reform again appears to have increased child welfare funding as state officials report using $42 million of TANF funds for child welfare services.

Collaboration between TANF and Child Welfare Agencies

Many families receiving services from child welfare agencies also receive cash welfare assistance. These dual-system families may face competing demands. They must meet the new requirements imposed on welfare recipients—such as participation in work activities and compliance with reporting requirements—in order to receive assistance, while at the same time they must meet case plan goals developed by child welfare agencies in order to keep their children or have their children returned to them. Despite the overlap in populations, historically there has been little formal collaboration in most states between child welfare and welfare agencies.

Massachusetts stands out as a state with formal collaboration activities. These include not only sharing information about families about to reach the TAFDC time limit, but also arranging for child welfare workers to make home visits to verify stability and make referrals for other support services as necessary.

Program Challenges

As in several other states, Massachusetts' child welfare agency has ushered in a substantial new automated system called Family Net in response to new federal management information system requirements. Several state officials called this the most significant change in the agency over the past several years, as it requires considerably more worker time and retraining.

Massachusetts officials also identified a severe shortage of family foster homes as a significant factor affecting service delivery. Officials suggested several factors that have

caused the shortage, including increasing labor force participation by adult women, lower numbers of applications from prospective foster parents, and continuing high demand for workers in the regular job market.

Conclusion

Massachusetts is one of just a few states where it is possible to begin to see the implications of a strong "work first" approach to welfare reform. Even though only a small portion of the TAFDC caseload is subject to the work requirements and to the short time limit, the clear message of welfare reform in this state has been one of the importance of work. Massachusetts had an early start on welfare reform, implementing a work-based program in 1995 and time limits in 1996, well before most states implemented federal welfare reform. Because of its relatively short time limit (24 months), the state has been grappling with issues concerning time limits since 1998. While the major tenets of Massachusetts' welfare program have changed very little since 1995, priorities have shifted and systemic changes have been made to the systems that support a work-based program.

Massachusetts was also one of the first states to implement a consolidated workforce development and one-stop Career Center system. Its one-stop and REB systems began to take shape in 1988, and by 2000, there were 37 one-stop career centers statewide. Although still ongoing, the presence of these one-stops and the state's consolidated system facilitated WIA implementation and made the workforce development system a natural partner in welfare reform. One-stop career centers are an access point for WtW, and they serve as the major providers of job search and other work-related activities for TAFDC recipients.

Implementation of the TAFDC work requirement and time limits has led DTA to collaborate with several other agencies. DTA is a leader among state welfare agencies in its close collaboration with child welfare, coordinating on dual-system families to ensure they do not fall through the cracks. In addition, DTA provided DSS workers with comprehensive training on TAFDC requirements. In fiscal year 1999, Massachusetts dedicated $42 million in unobligated TANF funds for child welfare services.

DTA is also working with the Department of Public Health to provide outreach and case management services to TAFDC recipients who leave assistance without employment after reaching the two-year time limit or who are removed from assistance as a result of sanctions. Access to health coverage is a particular priority for EOHHS among this group, and MassHealth enrollments have increased statewide by 30 percent in the last two years.

Work-related services to TAFDC recipients who leave assistance for employment are also a priority for the state. In 2000, at least half of the TAFDC education and training contracts with SDAs were dedicated to post-employment services. The child care system in Massachusetts, which has been consolidated and streamlined since the site visit in 1996, has received over $200 million in TANF funds to serve both welfare families and low-income nonwelfare working families. Despite this new money, there are still waiting lists for nonwelfare child care. Moreover, respondents indicated that the process for receiving one year of transitional child care for those leaving TAFDC can be cumbersome. Unlike some other states, however, at the end of this transitional period families can continue to receive subsidies and avoid the waiting list for low-income child care subsidies.

Endnotes

1. In Massachusetts, these interviews were conducted with child welfare administrators in the cities of Arlington, Fall River, and Lawrence, and the town of Greenfield.

2. The eligibility levels for subsidies have increased since the site visit. As of May 2000, the initial eligibility level is 50 percent of the state median income (or 193 percent of the federal poverty level in 2000).

3. National caseload reduction computed from data from the U.S. Department of Health and Human Services, Administration for Children and Families, http://www.acf.dhhs.gov/news/stats/case-fam.htm.

4. A small portion of the Boston cases are handled through the DTA offices in the cities of Somerville and Revere and are not represented in this calculation.

5. Massachusetts Department of Transitional Assistance, *A Study of Households Leaving Welfare Between December 1998 and April 1999* (Boston, November 2000).

6. The time limit extension policy for recipients who are working 35 hours per week was eliminated later in 2000.

7. Shortly after our site visit, the state changed the payment system from three payments to one payment. This change was made because of the bureaucratic burden of documenting placement and/or retention for each of the three payments.

8. Blank, Helen and Nicole Oxendine Poersch. (2000). "State Developments in Child Care and Early Education 1999." Washington DC: Children's Defense Fund.

9. The state also plans to increase the eligibility level in July 2001 to 205 percent of the federal poverty level.

10. Massachusetts is planning to implement a new regulation in July 2001, eliminating the parent fee for families at or below the federal poverty level.

11. A market rate survey is conducted to determine the rates charged by child care providers in the community. The 55th percentile of the market means that 55 percent of the providers charged rates that were below the OCCS rates and 45 percent charged rates that were above the OCCS rates. States pay the amount the provider charges to private pay parents, or the maximum rate, whichever is less.

12. For additional information about these changes see Geen, R., Boots, S., and Tumlin, K. "The Cost of Protecting Vulnerable Children," Occasional Paper Number 20, The Urban Institute, 1999.

13. Based on data provided by the state in response to the Urban Institute 1999 Child Welfare Survey. This is a minimum amount of spending as some child welfare services are funded through other departments.

Table 1 Notes

a. U.S. Bureau of the Census. "State Population Estimates: Annual Time Series, July 1, 1990, to July 1, 1999." http://www.census.gov/population/estimates/state/st-99-3.txt. [date accessed: October 2000.]

b. U.S. Bureau of the Census. "State and County Quick Facts." http://quickfacts.census.gov/qfd/states/25000.html. [date accessed: October 2000.]

c. U.S. Bureau of the Census, Population Estimates Program, Population Division. "States Ranked by Hispanic Population, July 1, 1999." http://www.census.gov/population/estimates/state/rank/hisp.txt. [date accessed: October 2000.]

d. "States Ranked by Black Population, July 1, 1999." http://www.census.gov/population/estimates/state/rank/black.txt. [date accessed: October 2000.] National population percentages are as of July 1, 1999, from U.S. Census Bureau. "Resident Population Estimates of the United States by Sex, Race, and Hispanic Origin." http://www.census.gov/population/estimates/nation/intfile3-1.txt. [date accessed: October 2000.]

e. Urban Institute estimates based on a three-year average of data in the 1997, 1998, and 1999 March supplements to the Current Population Survey. A Joint Project Between the Bureau of Labor Statistics and the Bureau of the Census.

f. U.S. Bureau of the Census. 1999. *Statistical Abstract of the United States: 1999* (119th edition). Table 42. Washington, D.C.

g. U.S. Bureau of the Census. Population Estimates Program, Population Division. "Percent Change in Population for U.S. States: 1990 to 1999." http://www.census.gov/population/www/estimates/stmap03.html. [date accessed: February 2001.]

h. U.S. National Center for Health Statistics. March 28, 2000. *National Vital Statistics Report*. Vol. 48, No. 3. Tables B, 10, and 19.

i. Urban Institute estimates based on two sources: (1) U.S. National Center for Health Statistics. April 29, 1999. *National Vital Statistics Report*. Vol. 47 No. 18. Table 10. (showing total number of births in each state and the US, 1997) (2) Child Trends. 1999. *CTS. Facts At A Glance*. Table 1. (showing number of births to mothers age 15-19 and percentage of teen births to unmarried mothers). Washington, D.C.: Child Trends, December.

j. U.S. Department of Commerce, Bureau of Economic Analysis, News Release September 12, 2000: *1999 State Per Capita Personal Income Revised*. Table 1: Per Capita Personal Income, by State and Region, 1995-1999 [Dollars]. http://www.bea.doc.gov/bea/newsrel/spi0900.htm. [accessed: February 2001.] Note: Percent change calculated in inflation adjusted dollars by the Urban Institute based on the CPI-U as published in the *Economic Report of the President*. 2000. Table B-60. Washington, D.C.: U.S. Government Printing Office, February.

k. U.S. Department of Labor, Bureau of Labor Statistics. 2000. "State and Regional Unemployment, 1999 Averages." Released February 2000. http://stats.bls.gov/newsrels.htm. [date accessed: February 2001.]

l. Zedlewski, Sheila. 2000. "Family Economic Well-Being." In *Snapshots of America's Families II: A View of the Nation and 13 States from the National Survey of America's Families*. Washington, D.C.: The Urban Institute.

m. U.S. Department of Labor, Bureau of Labor Statistics. 1999. Current Population Survey. [Data extracted February 10, 1999.]

n. Vandivere, Sharon, Kristin Anderson Moore, and Martha Zaslow. 2000. "Children's Family Environment." In *Snapshots of America's Families II: A View of the Nation and 13 States from the National Survey of America's Families.* Washington, D.C.: The Urban Institute.

o. Zedlewski, Sheila. 2000. "Family Economic Well-Being." In *Snapshots of America's Families II: A View of the Nation and 13 States from the National Survey of America's Families.* Washington, D.C.: The Urban Institute. Percent change in poverty rates (1996-1998) calculated by the Labor and Social Policy Center, The Urban Institute.

p. The National Governors' Association. 2000. "The Governors, Political Affiliations, and Terms of Office 2000." http://www.nga.org/Governor/GovMasterList.htm. [date accessed: February 2001.]

q. National Conference of State Legislatures. 1999. "Directory of State Legislatures, Online. Partisan Composition of State Legislatures House and Senate." D indicates Democrat; R indicates Republican; I indicates Independent; other indicates Other; and V indicates Vacant. http://www.ncsl.org. [Date accessed February 2001.]

Table 2 Notes

a. U.S. Congress, House Committee on Ways and Means. 2000. *2000 Green Book.* Table 7-7: Maximum Combined AFDC/TANF Benefits for a Family of Three (Parent with Two Children), July 1994-January 2000. Washington, D.C.: U.S. Government Printing Office. January.

b. Two Urban Institute calculations: (1) Average monthly number of AFDC 1996 recipient children divided by number of children in poverty 1996: U.S. Department of Health and Human Services. Administration for Children and Families. 1997. *Characteristics and Financial Circumstances of AFDC Recipients FY 1996.* Table 18. "Percent Distribution of AFDC Recipient Children by Age (October 1995-September 1996)"; (2) Average Monthly Number of TANF 1998 Recipient Children divided by Number of Children in Poverty 1998: U.S. Department of Health and Human Services. Administration for Children and Families. 1999. *Second Annual Report to Congress August 1999.* Table 9:22. "Percent Distribution of TANF Recipient Children by Age Group (October 1997-September 1998)." The numbers of children in poverty in 1996 and 1998 are Urban Institute calculations from the *National Survey of America's Families II.*

c. Kenney, Genevieve, Lisa Dubay, and Jennifer Haley. 2000. "Health Insurance, Access, and Health Status of Children: Findings from the National Survey of American Families." *Snapshots of America's Families II: A View of the Nation and 13 States from the National Survey of America's Families.* Washington, D.C.: The Urban Institute.

d. Based on three sources: (1) Urban Institute's TRIM [Transfer Income Model]; (2) Vernon K. Smith. 1999. "Enrollment Increases in State CHIP Programs: December 1998 to June 1999": Health Management Associates, July; (3) Urban Institute analysis of *1999 SCHIP [State Children's Health Insurance Program] Annual Report.* Rules for 1996 and 1998 are policies in place the majority of the year. Rules for 2000 represent plans approved as of January 1, 2000.

e. In 1996, the thresholds represent the state Medicaid thresholds for poverty-related eligibility or AFDC-related eligibility. Higher thresholds for separate state-financed programs (such as in New York) are not represented here.

f. In 1998, some states' thresholds represent Medicaid eligibility, and others are either Medicaid expansions or stand-alone programs enacted under the SCHIP legislation.

g. In 2000, all states covered at least some children through SCHIP; certain groups in some states are eligible only through Medicaid.

h. Data for 1998 are from January 1, 1998, compared with 1997 federal poverty level (FPL). Gina Adams, Karen Schulman, and Nancy Ebb. 1998. *Locked Doors: States Struggling to Meet the Child Care Needs of Low-Income Working Families.* Table A1. Washington, DC: Children's Defense Fund, March. Data for 1999 are from June 1999, compared with 1999 FPL. The 1999 data are calculated using state agency information and information from Helen Blank and Nicole Oxedine Poersch. 1999. *State Developments in Child Care and Early Education.* Table 1. Washington, D.C.: Children's Defense Fund. The Urban Institute calculated 1998 and 1999 U.S. median income eligibility level as a percentage of state median income (SMI) and FPL.

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In 1996 and 1997, the Urban Institute conducted case studies in 13 states that provided a baseline for understanding changes emerging from welfare reform. This set of state updates describes changes occurring between 1996-97 and 1999-2000 based on a second set of case studies completed in 1999 and 2000. Programs covered include income support through the Temporary Assistance for Needy Families program, employment and training supports for low-income welfare and non-welfare families, child care, and child welfare. It also looks at interactions among these programs.

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